

# 10 signs you may be in debt

1. You have no money in savings
2. You continually use credit cards for essentials
3. Your checking account regularly is overdrawn
4. You make cash advances on credit cards to pay bills
5. You're not sure how much money you actually owe
6. Your bills are always paid late
7. You are only able to afford minimum payments
8. Your credit cards are at or over their limits
9. You are borrowing money to pay bills and buy essentials
10. You avoid answering the phone for fear it's a bill collector

# Impacts of debt on your financial wellness

- Debt can affect your credit score; 30% of your credit score is calculated based on the total amount of debt you have
- Debt can keep you from qualifying for loans, or cause you to qualify on the condition of higher interest rates
- Debt can cause emotional problems like depression and anxiety
- Unpaid debt can lead to legal trouble, such as judgments and wage garnishments
- Debt can keep you from owning your own home
- Debt can cause strain on your family life and other relationships
- Debt can keep you from saving for important things like:
  - » Retirement
  - » Vacations
  - » Education
  - » Emergencies

# Dealing with debt in your personal life

- Consider taking on a part-time job or side-gig to increase your income
- Be honest with yourself; dig into your finances and shed light on the problems in your balance sheet
- Make a realistic budget for your household and stick to it
- Build an emergency savings of at least \$1,000 to avoid using credit cards when things come up
- Consider couponing, bargain-hunting, or consignment shopping
- Cut out or reduce unnecessary expenses like pricey hobbies, gym memberships, and cable packages
- Let the kids know you're on a budget, and don't be afraid to use the word "no" a little more often
- Start paying more than the minimum on your debts
- When one debt is paid off, snowball the amount you were paying into the payment for the next debt